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TO RUEHC/SECSTATE WASHDC 2878
INFO RUEHBJ/AMEMBASSY BEIJING 5877
RUEHHK/AMCONSUL HONG KONG 7097

UNCLAS AIT TAIPEI 003739

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DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - DAVID FIRESTEIN
DEPARTMENT PASS AIT/WASHINGTON

SIPDIS

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SUBJECT: MEDIA REACTION: U.S. ARMS SALES TO TAIWAN

¶1. Summary: Taiwan's major Chinese-language dailies November 2 continued to put their focus on the prosecutors' decision Wednesday to detain a Financial Supervisory Commission member on the charge of violating the Securities Transaction Law. News coverage also focused on the Legislative Yuan's review of the annual national defense budget Wednesday, part of which passed the National Defense Committee with only minor revisions; and on the investigation of the Presidential allowance for state affairs case. Several papers also carried on inside pages a U.S. State Department statement of Tuesday denying that Washington has suspended military exchange programs with Taiwan as a retaliatory move against the Taiwan legislature's failure to pass the arms procurement bill.

¶2. In terms of editorials and commentaries, an editorial in the pro-independence "Liberty Times," Taiwan's largest-circulation daily, said the controversial arms procurement bill has gradually turned into a surrogate battle between unification and independence in Taiwan. An opinion piece in the limited-circulation, pro-independence, English-language "Taipei Times" lashed out at the pan-Blue camp for deliberately blocking the arms procurement bill and trying to sell out Taiwan. End summary.

A) "Ulterior Reasons Behind the Opposition to [U.S.] Arms Procurement Are Exposed"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized (11/2):

"The arms procurement bill, which has been repeatedly blocked by the pan-Blue camp over the past few years, has in reality transformed gradually from [a matter of] partisan struggles and arguments over budget into a bellwether of the confrontation between unification and independence. The latest edition of the U.S. "Defense News" quoted quite a few U.S. and Taiwan observers as saying that the controversy over U.S. arms procurements in the Legislative Yuan is linked to the battle between unification and independence in Taiwan. The weekly even directly pointed out that the wrestling between pro-China and pro-independence lawmakers is eroding Washington's ties with Taiwan. ...

"In fact, just because the reasons offered by the pan-Blue camp for its opposition to the arms procurement bill failed to hold water, the Taiwan public began to suspect that some inside stories reflecting ulterior motives were possibly behind the apparent boycotts [of the arms procurements]. The most worrisome among these inside stories is that perhaps the arms procurement bill is a surrogate battle between unification and independence. In other words, the reason why the pan-Blue camp opposes the arms procurement bill is by no means based on its concern for whether or not the budget earmarked for the arms procurements is reasonable; instead, it is because the Blue legislators are opposed to Taiwan's possession of adequate national defense capability. If [the pan-Blue camp] opposes extravagant arms procurements and truly

believes that the budget has not been reasonably allocated, to avoid drawbacks it can have the Procedural Committee discuss the arms procurement budget and delete the parts that are not carefully allocated. But on the contrary, the pan-Blue camp kept on deliberately making things difficult ... and evidently, its opposition to extravagant arms procurement is nothing but an excuse, while its true intention is to try every means it can to prevent the arms procurement bill from being passed. The real reason behind the Blue camp's opposition to the arms procurements is evidently because of their pro-unification thinking. ..."

B) "Pan-Blue Camp Is Selling out the Nation"

Cao Changqing, a China-born freelance journalist based in the United States, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (11/2):

"... In the face of this nearby enemy, Taiwan should naturally strengthen its national defense by passing the arms budget. It should also call a spade a spade and view China as an enemy, as well as strengthen cooperation with the US military. This is especially true because, as China's economy takes off, many countries are scared to offend Beijing because of their business interests. In a situation where only the US dares to sell Taipei weapons, the ruling and opposition parties ought to focus on bilateral military relations with Washington. ...

"Seeing the pan-Blue's unconcealed display of anti-US and pro-China sentiment leaves the onlooker baffled. ... Is it not the KMT and PFP who, unhappy that Taiwanese people are in power, have unhesitatingly embraced the CCP, gambled with the ROC's security, turned their backs on the anti-communism of the two Chiangs and forgotten their own roots?"

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